

APPRAISAL OF THE DESIRABILITY FOR A PUBLIC UTILITIES ACT IN THE YUKON AND THE NORTHWEST TERRITORIES.

by

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INTRODUCTION

At its 34th Session, the Council of the Northwest Territories adopted a motion requesting a study of the possibility and feasibility of establishing a Territorial Utility Corporation to supply electrical energy to all communities in the Northwest Territories where private suppliers were not already established, this Corporation to take over present Government and Northern Canada Power Commission establishments. 1

This study is peripheral to the study which has been undertaken on northern electric power in the North, 2 as well as being an outgrowth of the aforementioned motion adopted by the Council of the Northwest Territories. The question of public utilities in the North has been a much-discussed one for some time, and it was felt that, with the power study underway, it would be useful to examine the entire public utilities

See "Recommendation to Council No. 2 (Second Session, 1967), Territorial Utility Corporation," Government of the Northwest Territories, November 9, 1967.

It should be mentioned that an ordinance to establish a Public Utilities Board in the Northwest Territories was enacted as far back as July 18, 1963. The Board which was constituted dealt exclusively with the granting of franchises for the production, transmission, delivery and/or furnishing of electricity primarily for sale to the public.

See "An examination of aspects related to acquisition of private power interests in the Yukon and the Northwest Territories," Resource and Economic Development Group, Department of Indian Affairs and Northern Development, January, 1968.

situation in the North with a view to making recommendations aimed at the social upliftment of the indigenous population.

2. SUMMARY AND CONCLUSIONS

- (a) The term <u>public utilities</u>, as used in this study, refers to a <u>system</u>
 whereby certain basic services, such as the supply of water and
 electricity and the disposal of sewage, are provided to a community.
- (b) The purpose of the study is to appraise the desirability for introducing an Act, generally called a Public Utilities Act, whereby the existing systems in the Yukon and the Northwest Territories would be regulated.
- (c) The public utilities examined are in the areas of water supply and distribution, sewage and garbage disposal, electricity supply, telephone services, municipal transportation, and delivery of heating oil.
- (d) The examination reveals that the two territories are especially lacking in the services of water supply, and garbage and sewage disposal, and that the lack is mostly confined to the smaller settlements because of one or all of the following reasons:
 - (i) A large number of the indigenous people cannot afford to pay

 for better services;
 - (ii) a large number of the indigenous people live in homes that are constructed of scrap material, and these homes are not equipped to accommodate essential services;
 - (iii) the territories lack a sophisticated infrastructure; and,

- (iv) due to physical restraints in the territories, potential and actual owners of public utilities can achieve limited success in efforts to improve services.
- (e) Conditions with regard to the other public utilities examined were reasonable, taking into account such factors as the isolation and size of the settlements.
- (f) The real problem with which the territories are faced is an overall lack of public utilities, and not an inadequacy in the services provided when viewed in terms of the payment made for them. In view of this distinction, it was concluded that there is no present need for a Public Utilities Act in the Yukon and the Northwest Territories, for there is essentially little for a Board, which would be constituted by the Act, to oversee, regulate and enforce. Furthermore, no definite or overall standards by which a Public Utilities Board could operate can be set in the territories under prevailing conditions.
- (g) This is not to say that efficiency of operation of public utilities
 cannot be improved in the territories. Indeed, there are a few areas
 (for example, in the distribution of water, the disposal of garbage
 and sewage, and the delivery of heating oil) where the owners of the
 public utilities could possibly adopt some measures to improve upon
 the efficiency of the services they render.

3. DEFINITION

The term <u>public utilities</u> is used in at least two senses by the legal profession. On the one hand it may refer to an entity, namely a person, firm or corporation who or which, inter alia, manages or controls

equipment or facilities for the conveyance or transmission of telephone or telegraphic messages; for the production, generation, storage, transmission, delivery or furnishing of electric power or energy, water or heat; and for the collection, treatment or disposal of sewage and garbage.

On the other hand, the term may refer to a system or service (also works, plant or equipment) for, inter alia, the conveyance of telephone or telegraphic messages; for the conveyance of travellers or goods over a railway, street, etc.; and for the production, transmission, delivery or furnishing of water, heat, light or power.

Throughout this study the term will be used in the second sense referred to above (i.e. particularly as a service), while persons, firms or corporations providing the service within the territories will be regarded as owners of public utilities.

The following public utilities which are provided in the Yukon and the Northwest Territories are included in the context of the study:

- (a) Community facilities water, sewage and garbage;
- (b) Power electricity;
- (c) Communications telephone;
- (d) Transportation trucking and delivery of heating oil.

4. METHOD OF APPROACH

Descriptions of settlements in the Northwest Territories were compiled for and submitted as a working paper to the Advisory Commission on the Development of Government in the Northwest Territories prior to the Commission's visit to the settlements described. These descriptions, which were conceived as the most convenient way of providing the members of the Commission with a record of conditions as they existed as lately

as in 1965 and 1966, covered most of the public utilities with which this study is concerned. The Commission's report, therefore, was an important source of information in the preparation of this study.

The engineers of the Department of Indian Affairs and Northern

Development were very helpful, in that they provided up-to-date information
on public utilities existing in the territories. Mr. J.R. Fraser of the

Resource and Economic Development Group initiated work on this study; many
of the ideas included in this final manuscript were drawn out of his
preliminary investigations.

Ideally, a field trip would have produced a more detailed study, but it was not possible to undertake the trip to visit all the settlements. In the absence of first-hand knowledge that would have been obtained from such a field trip, it became necessary to treat the study in very general terms.

The Commission observed that there were fifty one (51) settlements in the Northwest Territories. A sample of the settlements was taken to include only those whose population numbered two hundred and fifty or more persons (see appendix). The choice of this figure was based on the assumption that it is unlikely for an owner of public utilities to cater to smaller populations. One may conclude, therefore, that there is a suggestion that public utilities are, in the main, absent in smaller settlements. This suggestion is examined in a later section. Eight (8) Yukon settlements were considered in the sample.

Throughout the study, emphasis is placed on the indigenous population and the manner in which the latter are affected by existing public utilities in the territories.

5. THE EXISTING SITUATION

Much has been written in recent years about the public utilities in Northern Canada, and the literature is replete with adjectives as "squalid" and "appalling" as they refer to most of the public utilities found in the Yukon and the Northwest Territories. The situation is, according to the literature and to the government officials who have been stationed in the territories, particularly bad in the small and isolated settlements where, in almost every case, the small overcrated houses have neither toilets, plumbing, bathing facilities nor electricity.

At the other extreme, one finds that most of the larger settlements (say, with a population of over 250 persons) are provided with public utilities, but that the standards of the latter are sometimes below those normally considered as acceptable in Southern Canada.

Piped water is the exception rather than the rule throughout the territories, but particularly so in the Northwest Territories, and most of the inhabitants either have to haul their supply of drinking water from rivers on an individual basis in pails and/or 45 gallon drums (in winter, ice is cut and hauled by a dog team) or obtain it from trucks, generally provided by the Department of Indian Affairs and Northern Development.

See, for example, Peter J. Usher, Economic Basis and Resource Use of the Coppermine - Holman Region, N.W.T., NCRC-65-2, Department of Northern Affairs and National Resources, August, 1965;
G. Abrahamson et al, The Copper Eskimos, An Area Economic Survey, 1963, Industrial Division, Department of Northern Affairs and National Resources, February, 1964; and Diamond Jenness, Eskimo Administration: 11. Canada, Arctic Institute of North America, Technical Paper No. 14, May, 1964.

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In some instances, drinking water is obtained from a water-point system, but only in rare cases is water obtained from the relatively expensive utilidor system.

It becomes evident upon examination that the method of acquiring supplies of water in the territories varies from place to place and that the degree of crudeness of the different methods is directly related to such factors as geological and climatic conditions, size of population, income, education in basic hygiene, mores, etc. Thus, the existence of permafrost in several settlements precludes the sinking of wells or the installation of underground water conduits. In a word, there is a definite need for a more convenient supply of water for home use in many if not all settlements.

It is really on dealing with the sewage and garbage facilities in the territories that one readily appreciates how primitive are the public utilities conditions' of Northern Canada. Whereas acceptable sewage facilities are found in the larger settlements, one finds that, at the other extreme, for example in Holman, too often is the case where "natural functions are conducted outside next to the dwelling, or, in winter, in a tin can or similar type of chamber pot, which remains in the house until its contents are dumped out in the snow nearby" Many natives dump winter sewage out on the ice in drums where it can be carried away at breakup, while in summer sewage is either dumped into the sea or into covered pits. Used water is either thrown on the ground near the houses or is allowed to run out in open drainage ditches to the sea.

Peter J. Usher, op. cit., p. 103

The disposal of garbage in the territories is often a problem. Very often garbage is burnt in incinerators made from oil drums, but several of the indigenous population have continued to dump refuse and sewage outside their homes with the result that health hazards are created when the snow melts. Of the Coppermine-Holman Region, Usher writes:

*Garbage is also thrown out indiscriminately in the vicinity of the dwellings. It consists, however, mostly of cans and bones, as very little paper is used. Offal and other unwanted parts of butchered animals are sometimes left lying on the ground, and a dead dog surrounded by flies is a not uncommon sight in summer.

At Coppermine the majority of Eskimo houses are located on the east-side of the settlement in a poorly drained area. In May, when the snow is melting, the appearance of this area is appalling. All the refuse cast out during the winter reappears, with its attendant odour. Small streams of almost freezing water trickle through the area, and foul, stagnant pools form in pits and hallows."

The description above is, according to persons interviewed by the writer, also applicable to the situation found in several settlements in the territories.

Fortunately, the Department of Indian Affairs and Northern Development or persons under contract to the Department, as well as such private concerns Imperial Oil Limited, encourage spring clean-up and undertake the

¹ Ibid, pp. 103-104
For a similar viewpoint, see G. Abrahamson et al, op. cit., p. 47

collection of waste for disposal; otherwise the disease and odour problem would be alot more serious than it is at present.

Electrification of the settlements is probably as good as could be expected in isolated regions similar to those found in the territories. The Department of Indian Affairs and the Northern Canada Power Commission provide most of the electrical power found in native residences and major buildings, but such private companies as Yukon Electric, Northland Utilities, and Plains Western Gas and Electric also supply and distribute electricity in the territories. In general, the distribution of electricity is satisfactory in those settlements supplied with power, and it is believed by many that the rates which are largely set by franchises are fair.

Isolation of the settlements apart, it is reasonable to assume that many more residences in the territories would be supplied with electricity if the entire indigenous population could afford to meet electricity bills and if so many of the houses were not as crudely and cheaply constructed as they are.

The telephone service could be considered good under existing circumstances, and the rates compare with those of Southern Canada. Most of the service is provided by the Bell Telephone Company and the Canadian National Telecommunications, but the Hudson's Bay Company also operates radio telephones in several settlements of the Northwest Territories.

Transportation facilities are adequate in relation to the demand for trucking service in the territories, with most of the internal trucking being done by local contractors and/or cooperatives.

The delivery of heating oil is probably the most organized service in the territories, and it is undertaken by several concerns, notably the Department of Indian Affairs and Northern Development (or persons and firms contracted by the Department) and Imperial Oil Limited. Heating of houses in cold regions is very costly, so that the total amount of oil burnt during any one winter throughout the territories is dependent not only upon temperature but also, and largely, upon the per capita income of the indigenous population. The burning of anything that is combustible in order to supplement oil heating of homes is not so much a measure of frugality, but is more a result of the low per capita income of the indigenous population.

Most of the oil used is delivered in 45 gallon drums by truck, and this method of delivery is inefficient from the standpoint that the delivered oil has to be pumped into the consumer's barrels. Yet, oil would be even more costly to the consumer if it had to be delivered by and pumped from trucks equipped with bulk storage.

It is the opinion of many local residents that fuel oil and deisel oil delivered at Whitehorse via a products pipe line originating from Skagway, and for ultimate distribution and consumption throughout the Yukon, is too highly priced by the owners, White Pass and Yukon Corporation. This is significant for the high price of oil greatly affects the cost of living in the Yukon, if only because oil is so widely used as an input in the provision of public utilities in that territory.

6. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

It can be concluded from what was mentioned in the last section that
the situation with regard to public utilities in the Yukon and the
Northwest Territories is not one which can be described in glowing terms.
It is pointless, for several reasons, to attempt to compare that situation
with the one which obtains in Southern Canada. For one thing, the values of
the two populations are very dissimilar, and so are the mores. Again,
while there is generally good communications (in every sense of the word)
between the Southern towns and cities, and the latter are relatively well
populated, the same is not true of the sparsely populated and isolated
settlements of the territories.

At best, one should only use prevailing conditions in Southern Canada as a yardstick in appraising the public utilities that are now found in the Yukon and the Northwest Territories.

Close examination of the public utilities existing in the North reveals that it is only in the areas of water supply, and sewage and garbage disposal that the Yukon and the Northwest Territories are sadly lacking; and even then, this lack is mostly confined to the smaller settlements, for reasons which have already been pointed out elsewhere in this study. This is not to say that the conditions in the larger settlements are beyond reproach. Indeed, in most if not in all of them there still remains the need for a more convenient supply of water for home use, and sewage and garbage disposal still poses a problem.

Every Canadian province has a Public Utilities Board which has been constituted by an act and which deals with all aspects of the public

utilities that exist in the province. It is as a result of the proper functioning of these Boards that the consumers in Southern Canada take for granted the fact that they are provided with excellent services by owners of public utilities.

In the light of experiences of these Boards in Canadian provinces, the following questions are posed:

- (1) Is there a need for a Public Utilities Act, and, therefore, a

 Public Utilities Board in the Yukon and the Northwest Territories?
- (2) If there is a need for a Public Utilities Act in the Yukon and the Northwest Territories, then what duties and functions of the constituted Board should be prescribed by the Act?
- (3) If there is no immediate need for a Public Utilities Act in the Yukon and the Northwest Territories, then what action can now be taken by the present owners of the public utilities in the territories to improve upon the services that are provided to consumers?

A cursory examination of the setting in which Public Utilities Boards

Operate in the Canadian provinces will reveal, inter alia:

- (a) That there are several owners of public utilities catering to thousand and sometimes millions of consumers, all capable of paying for the services rendered to them; and
- (b) that there is "standardization" in the settlements, towns and cities

See for example:

⁽a) Statutes of Alberta, 1960, Chapter 85

⁽b) Statutes of British Columbia, 1938, Chapter 47 (c) Statutes of Newfoundland, 1964, Act No. 39

⁽d) Revised Statutes of Quebec, 1964, Chapter 285.

of these provinces, in the sense that the following features exist:

reservoirs, underground water conduits, water towers, electrical plants

and accessories, telephone lines, roads, streets, houses equipped

to accommodate public utilities, et cetera. In other words, because

all these features exist, it is possible to set one definite standard

with regard to each public utility and by which Public Utilities Boards

can operate.

No such definite standards can be set in the Yukon and the Northwest Territories. For example, where it is possible to run underground water conduits and sewage lines in, say, Fort Simpson, it is impossible to do likewise in, say, Pangnirtung or Baffir Island, if only because of the geological restraints that would be empountered in these settlements. Clearly then, this inability to set standards is one reason why it would be very difficult for a Public Utilities Board to operate in the Yukon and the Northwest Territories.

What is more important, though, is that a Public Utilities Board in the Yukon and the Northwest Territories would have, at this point in time, little or nothing to regulate and enforce. True, the settlements lack public utilities and this has served to hinder social development in the territories. But this is not the fault of the owners of the public utilities in the territories. The truth is that the owners of the public utilities are providing services commensurate, or as nearly as possible, with the payment they receive. There is nothing that the owners of the public utilities can do if the native residences are not equipped to accommodate, say, electricity or running water. One may easily install water mains in a settlement. But the installation would be useless to

the inhabitants if no source of water were available.

Explicitly, there is nothing for a Public Utilities Board to oversee, regulate and enforce in the territories, for the problem is not one of an inadequacy in the services provided when viewed in terms of the payments made for them. It is simply that there is an overall lack of public utilities in the territories, and that for reasons which have been enumerated before. It is important for this distinction to be made in appraising the desirability for a Public Utilities Act in the Yukon and the Northwest Territories. The constitution of a Public Utilities Board in the territories would, at this point in time, be nothing short of a creation of a cumbersome and an impotent bureaucracy.

Another important point which should be observed in appraising the desirability for a Public Utilities Board in the Yukon and the Northwest Territories is that most of the services are largely provided by Government (in some instances by persons under contract to the Government) or by a company (for example, like the United Keno Hill Mines) which is responsible for a community. Historically, public utilities ordinances have only been necessary where utilities are, in the main, provided by private companies.

The first two questions which were posed earlier have been answered.

What action, then, could be taken by the owners of the public utilities

in the territories to improve upon the services they provide to consumers?

On the surface, there appears to be little that the owners of the public

utilities could do in view of the fact that the efficiency with which

they provide their services is so directly dependent upon existing facilities
in native residences and the infrastructure in the settlements.

However, the following two measures, both aimed at increasing efficiency, could be pursued:

- (a) The agencies which distribute water from trucks could ensure that
 the vehicles are serviceable at all times, and could, if economical
 to do so, add more vehicles to their existing fleet.
- (b) The agencies which deliver heating oil could look into the possibility of supplying oil at a cheaper rate than obtains at present, in view of the high cost of heating houses in Arctic regions.

It should be mentioned with regard to water supply in the territories that the Department of Indian Affairs and Northern Development is currently working on improving and/or developing pipe, truck, utilidor and water point systems.

As was mentioned in the previous section, the disposal of garbage presents a problem in the territories. Yet, some of the agencies who undertake the task aggravate the problem through haphzard methods of garbage disposal. At present, several persons and firms are under contract to the Department of Indian Affairs and Northern Development for the collection and disposal of garbage. The Department could, therefore, look into the situation to ensure that their contractors are performing as efficiently as is possible; it could also solicit the cooperation of any other agency that might be performing inefficiently.

A word should be said about the high price of oil in the Yukon. There appears to be little that the Federal or Territorial Government could do in this regard without the assistance of the United States Government, since approximately half of the products pipe line passes through Alaska and is

owned by a U.S. Subsidiary.

In summation, it can reasonably be said that no significant improvement of public utilities can be made in the Yukon and the Northwest Territories unless:

- (1) The indigenous population are capable of paying for better services
- the native residences are improved upon, to the extent that they
 are equipped to accommodate essential services;
- (3) the territories obtain a more sophisticated infrastructure; and,
- (4) ways of "getting around" the existing physical restraints are discovered.

It is only when these conditions are fulfilled that there will probably be a need for a Public Utilities Act in the Yukon and the Northwest Territorie

UTILITIES MATRIX FOR SELECTED SETTLEMENTS IN NORTHERN CANADA

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SETTLEMENTS	ERRITORY	POPULATION	* AFTER	SEMAGE	GARBAGE	ELECTRICITY	TELEPHONE	REPRESENTATIVE OF THE PROPERTY	HE ATTHE BY
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BAKER LAKE	NW.T.	596	D.I A.N.D	DILAND	DIAND	D.OT	BTC	NIL	DIAND
CAMBRIDGE BAY	N.W.T	511	FC	LC	LC .	N.C PC	C N.T	LC	LC
CAPE DORSET	N.W.T	357	D.I.A.N.D	D.I.A.ND	DIAND	DIAND	B.T.C	NIL	DIAND H.B.C
COPPERMINE	NWT	536	DILAND	DIA.ND	DI A.ND	NC.P.C	C N.T	NIL	D.I.A.N.C. H.B.C
ESHIMO POINT	N.W.T	464	D.I A.ND	D.I.A.N.D	DIAND	D.I A N.D	B.T.C	NIL	DIAND H.B.C
FORT FRANKLIN	N.W.T	311	NIL	NIL	NIL	D.I.AND	C N.T	CO-OP	D I.A.N D
FORT NORMAN	N.W.T	250	LC	NIL	DIAND	DIAND	CNT	FC	H B.C
FORT PROVIDENCE	N.WT	378	rc	LC	NIL	NU	CNT	rc	DIAND
FORT SIMPSON	N W.T	716	NC.PC	N.C.P.C	LC	NCPC	CNT	LC	IOL
FORT SMITH	N.W.T	2121	М	м	М	N.C.P.C	CNT	rc	х
FROBISHER BAY	N.WT	1651	LC	LC	LC	NORC	ВТС	LC	OL
NORMAN WELLS	NWT	318	10L	DO.T	DOT	10L	C N.T	DOT	IOL
HAY RIVER	N WT	2004	М	М	М	NU	C.N.T	FC	×
IGLOOLIK	NWT	328	DIAND	DIAND	DIANU	DIAND	BTC	NIL	DIAND HBC
INUVIK	N.W.T	2043	NCPC	N C.PC	NC P.C	NCPC	C.N.T	LC	DIAND
PANGNIRTUNG	NWT	385	DIA.N.D	DIAND	DIAND	DILAND	B.T.C	FC	DIAND
PINE POINT	NWT	459	м	М	M	NCPC	CNT	NIL	x
RAE	N.W.T	779	TG	LC .	FC	DIAND	C.N.T	LC	101
RANKIN INLET	N.W.T	429	DIAND	D.I A N.D	DIAND	DIAND	втс	NIL	D.I.A N.D H B C
TUKTOYAKTUK	N.WT	511	DIAND	DIAND	D.I.A.N.D	D.I.A.N D	C.N.T	NIL	DIAND H.B.C
YELLOWKNIFE	N.W.T	3745	М	M	М	PWG&E	CNT	FC	×
WHITEHORSE	YUKON	5031	м	M	М	NC PC	C.N.T	LC	×
DAWSON CITY	YUKON	.881	N.C.P.C	M	М	NCPC	C.N.T	LC	×
MATSON LAKE	YUKON	597	NIL	TG	NIL	YE	CNT	LC	×
ELSA	YUKON	395	U.K.H.M	U.K H.M	UKHM	N.C.P.C	C.N.T	UKHM	U.K.H.M
CALUMET	YUKON	377	UK,HM	U.K.H.M	U.K.H.M	NCP.C	CNT	U.K.H.M	U.K H M
MAYC	YUKON	342	м	м	м	N.C.P.C	C.N.T	LC	×
CARMACKS	YUKON	218	NIL	NIL	NIL	YE	C N.T	LC	×
OLD CROW	YUKON	217	TG	TG	TG	YE	C.NT	NIL	DIAND
PREPARED BY DC EMERSON MATHURIN - ECCNOMIC STAFF GROUP JAN 1968									

LEGEND

MUNICIPAL
NORTHERN CANADA POWER COMMISSIONNCPC
LOCAL CONTRACTORS
NO PUBLIC UTILITY NIL
YUKON ELECTRICYE
NORTHLAND UTILITIESNU
IMPERIAL OIL LTD
PLAINS WESTERN GAS & ELECTRIC PWG&E
CANADIAN NATIONAL TELECOMMUNICATIONS C NT
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HUDSON BAY COMPANY H B C

SOURCE OF DATA

- D. B S.
- 2 ECON STAFF GROUP
- 3 INDIAN AFFAIRS BRANCH

SEVERAL COMPANIES _____X
TERRITORIAL GOVERNMENT __TG

- 4 NORTHERN ADMIN BRANCH
- 5 CARRUTHERS REPORT

NOTE

- I NWT POPULATION WAS RECORDED IN
- 2. YUKON POPULATION WAS RECORDED IN H





